

**Housing Authority of the
CITY OF PONCHATOULA**
Ponchatoula, Louisiana

**Annual Financial Report
As of and for the Year Ended June 30, 2012**

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Basic Financial Statements

As of and for the Year Ended June 30, 2012

With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana

I have audited the accompanying basic financial statements of the Housing Authority of the City of Ponchatoula (the authority) as of and for the year ended June 30, 2012, as listed in the table of contents. These basic financial statements are the responsibility of the authority's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly in all material respects, the financial position of the Housing Authority of the City of Ponchatoula as of June 30, 2012, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana
Independent Auditor's Report, 2012
Page Two

In accordance with *Government Auditing Standards*, I have also issued my report dated February 22, 2013 on my consideration of the authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis listed in the table of contents, is not a required part of the basic financial statements but is supplemental information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the housing authority's financial statements as a whole. The financial data schedule as required by HUD is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 22, 2013

HOUSING AUTHORITY OF PONCHATOULA, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

JUNE 30, 2012

The management of Public Housing Authority of Ponchatoula, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending June 30, 2012. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

FINANCIAL HIGHLIGHTS

- The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- The Housing Authority's assets exceeded its liabilities by \$2,049,350 at the close of the fiscal year ended 2012.
 - ✓ Of this amount \$1,584,274 represents a restriction equal to the net amount invested in land, buildings, furnishings, leasehold improvements, equipment, and construction in progress, minus associated debts.
 - ✓ Also of this amount, \$63,196 of net assets are restricted for the Housing Choice Voucher program
 - ✓ The remainder of \$401,880 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 43% of the total operating expenses of \$925,626 for the fiscal year 2012, which means the Authority might be able to operate about 5 months using the unrestricted assets alone, compared to 5 months in the prior fiscal year.
- The Housing Authority's total net assets decreased by \$134,601, a 6% decrease from the prior fiscal year 2011. This decrease is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- The decrease in net assets of these funds was accompanied by a decrease in unrestricted cash by \$15,311 from fiscal year 2011.
- The Authority spent \$24,697 on capital asset additions and \$14,400 on construction in progress during the current fiscal year.
- These changes led to a decrease in total assets by \$131,085 and an increase in total liabilities by \$3,516. As related measure of financial health, there are still over \$7 of current assets covering each dollar of total current liabilities, which compares to \$8 covering the prior fiscal year's liabilities.
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OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

Reporting on the Housing Authority as a Whole

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2012?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Fund Financial Statements

The Housing Authority accounts for all financial activity in a single enterprise fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

Low Rent Public Housing	\$ 217,453
Public Housing Capital Fund Program	56,421
Housing Choice Vouchers	211,004
Total funding received this current fiscal year	<u>\$ 484,878</u>

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

Housing Authority of Ponchatoula, Louisiana
Management's Discussion and Analysis (MD&A)
June 30, 2012

FINANCIAL ANALYSIS

The Housing Authority's net assets were \$2,049,350 as of June 30, 2012. Of this amount, \$1,584,274 was invested in capital assets, and the remaining \$401,880 was unrestricted. There were \$64,376 in specific assets restricted Housing Choice Voucher (HCV) program.

CONDENSED FINANCIAL STATEMENTS

Condensed Statement of Net Assets As of June 30, 2012		
	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets	\$ 469,171	\$483,600
Assets restricted for Housing Choice Voucher (HCV) program,	63,196	72,965
Capital assets, net of depreciation	<u>1,584,274</u>	<u>1,691,161</u>
Total assets	<u><u>2,116,641</u></u>	<u><u>2,247,726</u></u>
LIABILITIES		
Current liabilities	62,864	61,245
Non-current liabilities	<u>4,427</u>	<u>2,530</u>
Total liabilities	<u>67,291</u>	<u>63,775</u>
NET ASSETS		
Invested in capital assets, net of depreciation	1,584,274	1,691,161
Net assets restricted for the Housing Choice Voucher program	63,196	72,965
Unrestricted net assets	<u>401,880</u>	<u>419,825</u>
Total net assets	<u><u>2,049,350</u></u>	<u><u>2,183,951</u></u>
Total liabilities and net assets	<u><u>2,116,641</u></u>	<u><u>2,247,726</u></u>

Housing Authority of Ponchatoula, Louisiana
Management's Discussion and Analysis (MD&A)
June 30, 2012

CONDENSED FINANCIAL STATEMENTS (Continued)

The net assets of these funds decreased by \$134,601, or by 6%, from those of fiscal year 2011, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets
Fiscal Year Ended June 30, 2012**

	<u>2012</u>	<u>2011</u>
OPERATING REVENUES		
Tenant rental revenue	\$ 265,296	\$258,785
Other tenant revenue	7,248	6,547
Total operating revenues	<u>272,544</u>	<u>265,332</u>
OPERATING EXPENSES		
General	74,901	77,603
Maintenance and repairs	226,967	245,031
Administrative expenses and management fees	221,464	201,653
Utilities	45,976	42,897
Federal Housing Assistance Payments (HAP) to landlords	194,474	216,914
Protective services	12,210	10,520
Depreciation	145,984	150,374
Tenant services	200	2,983
Extraordinary repairs	3,450	28,750
Total operating expenses	<u>925,626</u>	<u>976,725</u>
(Losses) from operations	<u>(653,082)</u>	<u>(711,393)</u>
NON-OPERATING REVENUES		
Federal grants for operations	445,781	489,189
Interest income	3,863	5,548
Other non-tenant revenue	29,740	43,180
Total Non-Operating Revenues	<u>479,384</u>	<u>537,917</u>
NON-OPERATING EXPENSES		
Total non-operating expenses	<u>-</u>	<u>-</u>
(Losses) after non-operating revenues	<u>(173,698)</u>	<u>(173,476)</u>
OTHER CHANGES IN NET ASSETS		
Federal grants for capital expenditures	39,097	92,850
NET (DECREASES) IN NET ASSETS	<u>(134,601)</u>	<u>(80,626)</u>
NET ASSETS, Beginning of Year	2,183,951	2,264,577
NET ASSETS, beginning of fiscal year	<u>2,183,951</u>	<u>2,264,577</u>
NET ASSETS, end of fiscal year	<u><u>2,049,350</u></u>	<u><u>2,183,951</u></u>

EXPLANATIONS OF FINANCIAL ANALYSIS

Compared with the prior fiscal year, total operating and non-operating revenues decreased \$105,074, or by 12%, from a combination of larger offsetting factors. Reasons for most of this change are listed below:

- Total tenant revenue increased by \$7,212, or by 3%, from that of the prior fiscal year, due to the amount of rent each tenant pays which is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total. In addition, other tenant revenues (such as fees collected from tenants for late payment of rent, damages to their units, and other assessments) increased by \$701, or by 11%.
- Federal revenues from HUD for operations decreased by \$43,408, or by 9%, from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, and then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was a decrease in the number of eligible tenants receiving subsidies, so Housing Assistance Grants decreased accordingly, lowering the overall total.
- Federal Capital Funds from HUD decreased by \$53,753, or by 58%, from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2007 through 2011.
- Total other non-operating revenue decreased by \$13,440, or by 31%, from that of the prior fiscal year, due to a decrease in portability administration charges and HAP reimbursements.
- Interest income decreased by \$1,685, or by 30% from that of the prior fiscal year due to fluctuating interest rates from economic instability.

Compared with the prior fiscal year, total operating and non-operating expenses decreased \$51,099, or by 5%, but this also was made up of a combination of offsetting factors. Again, reasons for most of this change are listed below:

- Depreciation expense decreased by \$4,390, or by 3%, from that of the prior fiscal year, because existing capital assets are reaching the end of their estimated useful lives.
- Maintenance and repairs decreased by \$43,364, or by 16%, from that of the prior fiscal year, due to several major factors: Repair staff wages decreased by \$26,701, and related employee benefit contributions decreased by \$9,528. Materials used decreased by \$17,810, but contract labor costs increased by \$35,975. In addition, Extraordinary maintenance decreased by \$25,300, or by 88%, from that of the prior fiscal year.

Housing Authority of Ponchatoula, Louisiana
Management's Discussion and Analysis (MD&A)
June 30, 2012

- General Expenses decreased by \$2,702, or by 3%, from that of the prior fiscal year, and payments in lieu of taxes (PILOT) increased by \$463, or by 2%. PILOT is calculated as a percentage of rent minus utilities which changed proportionately to the changes in each of these. Insurance premiums decreased by \$5,725, or by 12%, since property and casualty insurance premiums decreased, whereas other general expenses increased by \$276. Lastly, bad debts decreased by \$894, or by 44%, and compensated absences increased by \$3,178, or by 39%.
- Administrative Expenses increased by \$19,811, or by 10%, from that of the prior fiscal year, due to a combination of offsetting factors: though administrative staff salaries decreased by \$5,906, the related employee benefit contributions increased by \$15,528; therefore, total staff salaries and benefit costs increased by 8%. In addition, audit fees increased by \$1,325, and legal fees increased by \$459; thus, total outside professional fees increased by 13%. Finally, staff training/travel reimbursements decreased by \$2,495, office expenses increased by \$6,818, but sundry expenses increased by \$4,082; therefore, other staff administrative expense increased by 13%.
- Housing Assistance Payments to landlords decreased by \$22,440, or by 10%, from that of the prior fiscal year, because there was a decrease in the number of tenants under lease during the year.
- Utilities Expense increased by \$3,079, or by 7%, from that of the prior fiscal year due to numerous cumulative factors: Water cost increased by \$825, due to an increase in rate by 9%; electricity cost increased by \$639, due to an increase in rate by 13%; gas cost decreased by \$220, due to a decrease in consumption by 31%; and finally, other utilities expense (such as labor, benefits, garbage, sewage, and waste removal) increased by \$1,614, or by 6%.
- Lastly, Tenant Services - other decreased by \$2,783, or by 93%, from that of the prior fiscal year, and Protective Services - contracted increased by \$1,690, or by 16%, from that of the prior fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2012, the Housing Authority had a total cost of \$7,263,299 invested in a broad range of assets and construction in progress from projects funded in 2007 through 2011, listed below. This amount, not including depreciation, represents increases of \$39,097 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation
As of June 30, 2012**

	<u>2012</u>	<u>2011</u>
Land	\$ 78,941	\$ 78,941
Construction in progress	67,670	53,271
Buildings	1,190,743	1,293,919
Leasehold improvements	217,235	250,560
Furniture and equipment	29,685	14,470
Total	<u><u>1,584,274</u></u>	<u><u>1,691,161</u></u>

Housing Authority of Ponchatoula, Louisiana
Management's Discussion and Analysis (MD&A)
June 30, 2012

As of the end of the 2012 fiscal year, the Authority is still in the process of completing HUD grants of \$642,180 obtained during 2007 through 2011 fiscal years.

Debt

Non-current liabilities also include accrued annual vacation leave due to employees.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2013 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Wanda Wells, at Public Housing Authority of Ponchatoula, Louisiana; P.O. Box 783; Ponchatoula, LA 70454.

Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana
Statement of Net Assets
As of June 30, 2012

ASSETS**Current assets**

Cash and cash equivalents	414,538
Receivables:	
Tenant rents, net of allowance	150
Accrued interest receivable	4,207
Prepaid insurance	23,284
Inventory, net of allowance	3,572
Restricted assets - cash and cash equivalents	<u>86,616</u>
Total current assets	<u>532,367</u>

Noncurrent assets

Capital assets:

Nondepreciable capital assets:

Land	78,941
Construction in progress	<u>67,671</u>
Total nondepreciable capital assets	<u>146,612</u>

Depreciable capital assets:

Buildings and improvements	6,943,837
Furniture and equipment	172,850
Less accumulated depreciation	<u>(5,679,025)</u>
Total depreciable capital assets, net of accumulated depreciation	<u>1,437,662</u>

Total capital assets, net of accumulated depreciation	<u>1,584,274</u>
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Total assets	<u>2,116,641</u>
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(continued)

Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana
Statement of Net Assets
As of June 30, 2012

LIABILITIES**Current Liabilities**

Accounts payable	5,098
Payable to other governments	22,052
Accrued wages payable	2,308
Accrued compensated absences	4,737
Deferred revenue	5,901
Other liability	528
Security deposit liability	22,240

Total current liabilities	62,864
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Noncurrent liabilities

Accrued compensated absences	4,427
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Total noncurrent liabilities	4,427
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Total liabilities	67,291
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NET ASSETS

Invested in capital assets, net of related debt	1,584,274
Restricted	64,376
Unrestricted	400,700

Total net assets	\$ 2,049,350
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The accompanying notes are an integral part of these financial statements.

Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana
Statement of Revenues, Expenses, and Changes In Net Assets
For the Year ended June 30, 2012

Operating Revenues	
HUD Operating Grants	\$ 445,781
Dwelling Rental	265,296
Other Operating	7,248
	<hr/>
Total operating revenues	718,325
	<hr/>
Operating Expenses	
Housing Assistance Payments	194,474
General and administrative	296,365
Repairs and maintenance	230,417
Utilities	45,975
Tenant services	200
Protection services	12,210
Depreciation and amortization	145,984
	<hr/>
Total operating expenses	925,625
	<hr/>
Operating income (loss)	(207,300)
Nonoperating Revenues (Expenses):	
Interest revenue	19
Miscellaneous revenues	33,583
	<hr/>
Total nonoperating revenues (expenses)	33,602
	<hr/>
Income (loss) before other revenues, expenses, gains, losses and transfers	(173,698)
Capital contributions (grants)	39,097
Increase (decrease) in net assets	(134,601)
Net assets, beginning of year	2,183,951
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Net assets, end of year	\$ 2,049,350
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The accompanying notes are an integral part of these financial statements.

Housing Authority of the City of Ponchatoula
Statement of Cash Flows
For the Year ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from federal subsidies	\$ 454,825
Receipts from tenants	272,653
Payments to landlords	(194,474)
Payments to suppliers	(466,182)
Payments to employees	<u>(115,737)</u>
Net cash provided by operating activities	<u>(48,915)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Miscellaneous revenues	33,583
Net cash provided by noncapital financing activities	<u>33,583</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital grants	39,097
Purchase and construction of capital assets	<u>(39,097)</u>
Net cash (used in) capital and related financing activities	<u>-</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>19</u>
Net cash provided by investing activities	<u>19</u>

Net increase (decrease) in cash and cash equivalents (15,313)

Cash and cash equivalents - beginning of year **516,467**

Cash and Cash equivalents - unrestricted 414,538

Cash and Cash equivalents - restricted 86,616

Total Cash and Cash Equivalents - end of year **\$ 501,154**

Reconciliation of operating income (loss) to net cash provided by operating activities:

Operating (loss) \$ (207,300)

Adjustments to reconcile operating (loss) to net cash provided by operating activities:

Depreciation and amortization 145,984

Changes in assets and liabilities:

HUD receivable 9,044

Tenant rents, net of allowance (149)

Miscellaneous receivables (142)

Prepaid insurance 480

Inventories (348)

Accounts payable (2,259)

Accrued wages payable (1,426)

PILOT Payable 463

Accrued compensated absences 2,015

Other liability (363)

Deferred revenue 4,686

Security deposit liability 400

Net cash provided by operating activities **\$ (48,915)**

The accompanying notes are an integral part of the financial statements

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Basic Financial Statements

June 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the authority have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

(1) Reporting Entity

The Housing Authority of The City of Ponchatoula (the authority) was chartered as a public corporation under the laws of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations for the residents of the City of Ponchatoula, Louisiana. This formation was contingent upon the approval of the city.

The authority is governed by a Board of Commissioners (Board), which is composed of five members appointed by the city and serve five-year staggered terms. The Board of the authority exercises all powers granted to the authority.

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the authority is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2012 – Continued

GASB Statements No. 14 and No. 39 establish criteria for determining which, if any, component units should be considered part of the authority for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability, which includes:

1. Appointing a majority of an organization's governing body, and:
 - a. The ability of the government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependant on the government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the authority has determined that the following component unit should be considered as part of the authority reporting entity:

PHA-Helena Manor, Inc. (CU) is a legally separate entity. The members of the authority's board of commissioners also serve as the board of directors of the entity. The authority has the ability to impose its will on the entity.

The CU was formed for the purpose of facilitating the development and financing of a 30 unit elderly housing facility within the city limits of the City of Ponchatoula. The CU is a partner in the developer partnership. Since the investment limited partner owns 99+ % interest in the partnership, the CU takes the position that eventual control of the partnership rests with the investment limited partnership.

The partnership has entered into loan agreements and other financing arrangements that may have incurred contingent liabilities on behalf of the CU, but not any that would obligate the PHA. No contingencies have been reported in the PHA financial statements.

This CU is included through blended presentation in the PHA financial statements.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2012 – Continued

The authority is a related organization of the City of Ponchatoula, Louisiana since the city appoints a voting majority of the authority's governing board. The city is not financially accountable for the authority as it cannot impose its will on the authority and there is no potential for the authority to provide financial benefit to, or impose financial burdens on, the city. Accordingly, the authority is not a component unit of the financial reporting entity of the city.

(2) Funds

The accounts of the authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the authority are classified as proprietary. The general fund accounts for transactions of all of the authority's programs.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the authority's enterprise fund are HUD operating grants and subsidies, Section 8 Housing Assistance Subsidies, Section 8 Management Fees and tenant dwelling rents. Operating expenses include Section 8 Housing Assistance Payments, General and Administrative expenses, repairs and maintenance expenses, utilities and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The accompanying basic financial statements of the authority have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB statement No. 34, Basic Financial Statements and Managements discussion and Analysis—for State and Local Governments, which was unanimously approved in June 1999 by the GASB.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2012 – Continued

(3) Measurement focus and basis of accounting

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this management focus all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

(4) Assets, liabilities, and net assets

(a) Deposits

The authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. HUD regulations, state law and the authority's investment policy allow the housing authority to invest in collateralized certificates of deposit and securities backed by the federal government.

(b) Inventory and prepaid items

All inventories are valued at cost on a first-in first-out (FIFO) basis. Inventories consist of expendable building materials and supplies held for consumption in the course of the authority's operations.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(c) Restricted Assets

Cash equal to the amount of tenant security deposits and housing assistance payment reserves are recorded as restricted

(d) Capital assets

Capital assets of the authority are included in the statement of net assets and are recorded at actual cost. The capitalization threshold is \$1,000. Depreciation of all exhaustible fixed assets is charged as an expense against operations.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2012 – Continued

Property, plant, and equipment of the Authority is depreciated using the straight line method over the following estimated useful lives:

Buildings	33 years
Modernization and improvements	15 years
Furniture and equipment	3-7 years

(e) Due from/to other governments or agencies

Amounts due from/to the authority to/by other governments or agencies are generally for grants or programs under which the services have been provided by the authority. The authority also records an amount due to the various taxing districts within the region for payments in lieu of taxes.

(f) Allowance for doubtful accounts

The authority provides an allowance for doubtful accounts, as needed, for accounts deemed not collectible. At June 30, 2012, the management of the authority established an allowance for doubtful accounts of approximately \$451.

(g) Compensated absences

It is the authority's policy to permit employees to accumulate earned but unused vacation pay benefits. In accordance with the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*," vacation pay is accrued when incurred and reported as a liability.

Employees earn annual leave according to the policy for state employees. Employees may accumulate an unlimited number of annual leave hours and may receive payment for up to 300 annual leave hours upon termination or retirement at their then current rate of pay. Employees are not compensated for unused sick leave

(h) Restricted net assets

Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2012 – Continued

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

(i) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the government-wide financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – DEPOSITS

Deposits are stated at cost, which approximates fair value. Under state law and/or federal regulation, these deposits, or the resulting bank balances, must be in Federal Securities, secured by federal deposit insurance or the pledge of federal securities. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

As of June 30, 2012, the authority's carrying amount of deposits was \$501,154, which includes the following:

Cash and cash equivalents-unrestricted	\$415,718
Cash and cash equivalents- restricted	85,436
Total	\$501,154

Interest Rate Risk—The authority's policy does not address interest rate risk.

Credit Rate Risk—Since all of the authority's deposits are federally insured and/or backed by federal securities, the authority does not have credit rate risk.

Custodial Credit Risk—This is the risk that in the event of a bank failure, the authority's deposits may not be returned to it. The authority does not have a policy for custodial credit risk. \$250,000 of the authority's total deposits were covered by federal depository insurance, and do not have custodial credit risk. The remaining \$254,613 of deposits have custodial credit risk, but were collateralized with securities held by the pledging financial institution trust department or agent. The bank balances at June 30, 2012 totaled \$504,613.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2012 – Continued

NOTE C - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2012 was as follows:

	<u>6/30/2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2012</u>
Nondepreciable Assets:				
Land	78,941			78,941
Construction in Progress	53,271	14,400	-	67,671
Depreciable Assets:				
Building and improvements	6,943,837	-	-	6,943,837
Furniture and equipment	<u>148,153</u>	<u>24,697</u>	<u>-</u>	<u>172,850</u>
Total	<u>7,224,202</u>	<u>39,097</u>	<u>-</u>	<u>7,263,299</u>
Less accumulated depreciation				
Building and improvements	5,398,662	135,285	-	5,533,947
Furniture and equipment	<u>134,379</u>	<u>10,699</u>	<u>-</u>	<u>145,078</u>
Total accumulated depreciation	<u>5,533,041</u>	<u>145,984</u>	<u>-</u>	<u>5,679,025</u>
Net Capital Assets	<u>1,691,161</u>	<u>(106,887)</u>	<u>-</u>	<u>1,584,274</u>

NOTE D – CONSTRUCTION COMMITMENTS

The authority is engaged in a modernization program and has entered into construction type contracts with approximately \$167,120 remaining until completion.

NOTE E – COMPENSATED ABSENCES

At June 30, 2012, employees of the authority have accumulated and vested \$9,164 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. \$4,427 is reported in long-term debt.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2012 – Continued

NOTE F – LONG TERM OBLIGATIONS

As of June 30, 2012, long term obligations consisted of compensated absences in the amount of \$4,427. The following is a summary of the changes in the long term obligations for the year ended June 30, 2012.

	Compensated Absences
Balance as of July 1, 2011	\$2,530
Additions	4,861
Deductions	(2,964)
Balance as of June 30, 2012 (Long term)	4,427
Amount due in one year (Short term)	\$4,737

NOTE G – POST EMPLOYMENT RETIREMENT BENEFITS

The authority does not provide any post employment retirement benefits. Therefore the authority does not include any entries for unfunded actuarial accrued liability, net OPEB expense, or annual contribution required.

NOTE H - RETIREMENT PLAN

The authority participates in the Housing Agency Retirement Trust plan, administered by Mercer, which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the authority provides pension benefits for all of its full-time employees. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment. Plan provisions and changes to the plan contributions are determined by the Board of the authority.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to eight percent of each participant's basic (excludes overtime) compensation. Employees are required to contribute five percent of their annual covered salary.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2012 – Continued

The authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the authority.

Normal retirement date shall be the first day of the month following the employee's sixty-fifth birthday or after ten years of participation in the plan.

The authority's total payroll for the year ended June 30, 2012, was \$115,737. The authority's contributions were calculated using the base salary amount of \$92,524. The authority made the required contributions of \$7,402 for the year ended June 30, 2012.

NOTE I – RISK MANAGEMENT

The authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The authority's risk management program encompasses obtaining property and liability insurance.

The authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, and workers compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the authority's deductions are met.

There has been no significant reduction in insurance coverages from coverages in the prior year. In addition, there have been no significant claims that have exceeded commercial insurance coverages in any of the past three fiscal years.

NOTE J – FEDERAL COMPLIANCE CONTINGENCIES

The authority is subject to possible examinations by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the entity in the current and prior years. These examinations may result in required refund by the entity to federal grantors and/or program beneficiaries. The authority is subject to HUD's consideration of reducing grants in order to have the authority utilize authority Equity to fund expenses.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Notes to the Financial Statements, 2012 – Continued

As described in Note A (1) the financial statements include activities of a component unit (CU). The CU has entered into partnership and other agreements that are considered to not be commitments and contingencies of the PHA. Accordingly, no PHA financial statement entries have been recorded for commitments and contingencies as described.

NOTE K – SUBSEQUENT EVENTS

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the balance sheet date, require disclosure in the accompanying notes. Management evaluated the activity of the authority through February 22, 2013 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE L – ECONOMIC DEPENDENCE

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$484,878 to the authority, which represents approximately 61% of the authority's total revenue for the year.

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Ponchatoula
Ponchatoula, Louisiana

I have audited the financial statements of the Housing Authority of the City of Ponchatoula (the authority), as of and for the year ended June 30, 2012 and have issued my report thereon dated February 22, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered the authority's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the authority's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the authority's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings, I identified certain deficiencies in internal control over financial reporting that I consider to be material weaknesses.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Report on Internal Control... *Government Auditing Standards*, 2012

Page Two

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the authority's financial statements will not be prevented, or detected and corrected on a timely basis. I consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. See Finding F-2012-1 and F-2012-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the authority's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items F-2012-1 and F 2012 -2.

The authority's responses to the findings identified in our audit are described in the accompanying schedule of findings. I did not audit the authority's response and, accordingly, I express no opinion on the responses.

This report is intended solely for the information and use of the board of commissioners and management, others within the organization, the Louisiana Legislative Auditor and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

William Daniel McCaskill

William Daniel McCaskill, CPA
A Professional Accounting Corporation

February 22, 2013

Schedule of Findings
Fiscal Year Ended June 30, 2012

Schedule 1

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana

Schedule of Findings
Fiscal Year Ended June 30, 2012

Cause:

Important documents were not made available to the auditor in time to complete the audit by December 31, 2012. These documents included Component Unit documents and procurement documents.

FINDING F-2012-2

Program: Entity Wide

Criteria:

Adequate internal controls over disbursements should ensure that purchases are reasonable and necessary for the proper administration of the program, proper supporting documentation should be provided to the check signers prior to their signature and sales taxes or late charges should not be paid.

Condition:

In testing vendor disbursements we noted the following exceptions:

One instance of a purchase of an outdoor gas grill for \$3,450. We question if this purchase is reasonable and necessary for the proper administration of the program.

It appears the gas grill was on loan from the City Police Department, was stolen while being used by the authority, the authority felt responsible for the grill, and the authority purchased a replacement grill for the Police Department.

These circumstances raise issues such as why the theft was not reported to the City Police Department and why an insurance claim was not filed by the authority and/or the Police Department.

Two instances where the payment was not fully supported with invoices.

Five instances where sales taxes were paid totaling \$40.51.

Two instances where late charges were paid totaling \$53.31

Schedule 1

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana

Schedule of Findings
Fiscal Year Ended June 30, 2012

Effect:

PHA staff and the check signers did not exhibit proper internal controls over disbursement processing. Proper supporting documentation should be presented to each check signer before they sign each check.

Cause:

The executive director was ill during an extended period. This contributed to some of the exceptions above.

It is unclear why the PHA check signers did in fact sign these checks when the proper supporting documentation was not provided to them.

Schedule 2

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana

Schedule of Prior Year Audit Findings
Fiscal Year Ended June 30, 2012

Finding F-2011-1

Property acquisition – no declaration of trust executed, no consideration of possible conflicts of interest.

During the current audit we found no circumstances similar to those recited in Finding F-2011-1.

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Corrective Action Plan for Current Year Findings
For Fiscal Year Ended June 30, 2012

FINDINGS—FINANCIAL STATEMENTS AUDIT

F- 2012-1

Action Planned: By 6-30-2013 PHA will insist that the General Partner provide our Component Unit with the documents necessary for timely inclusion in the PHA audit as of 6-30-2013.

Additionally we will make every effort to provide procurement documents to the auditor in a timely manner.

Person Responsible: Wanda Wells, Executive Director

Anticipated Completion Date: June 30, 2013

F- 2012-2

Action Planned: Beginning April 1, 2013, we will enforce the PHA Policy and ensure that prior to signing all checks they are reasonable and necessary for the proper administration of the program, supported by adequate documentation and that disbursements not include any sales taxes or late charges.

Person Responsible: Wanda Wells, Executive Director

Anticipated Completion Date: April 1, 2013

Schedule 4

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA
Ponchatoula, Louisiana

Schedule of Compensation Paid to Board Members
Fiscal Year Ended June 30, 2012

Board members serve without compensation

Schedule 5

Housing Authority of the Town of Pontchatoula (LA075)
PONCHATOULA, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 06/30/2012

	Project Total	14 871 Housing Choice Vouchers	6 Component Units	Subtotal	Total
111 Cash - Unrestricted	\$409,358	\$1,732	\$3,448	\$414,538	\$414,538
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$64,376	\$0	\$64,376	\$64,376
114 Cash - Tenant Security Deposits	\$22,240	\$0	\$0	\$22,240	\$22,240
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$431,598	\$66,108	\$3,448	\$501,154	\$501,154
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$601	\$0	\$0	\$601	\$601
126.1 Allowance for Doubtful Accounts - Tenants	-\$451	\$0	\$0	-\$451	-\$451
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$4,207	\$0	\$0	\$4,207	\$4,207
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,357	\$0	\$0	\$4,357	\$4,357
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$23,284	\$0	\$0	\$23,284	\$23,284
143 Inventories	\$3,760	\$0	\$0	\$3,760	\$3,760
143.1 Allowance for Obsolete Inventories	-\$188	\$0	\$0	-\$188	-\$188
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$462,811	\$66,108	\$3,448	\$532,367	\$532,367
161 Land	\$78,941	\$0	\$0	\$78,941	\$78,941
162 Buildings	\$5,870,639	\$0	\$0	\$5,870,639	\$5,870,639
163 Furniture, Equipment & Machinery - Dwellings	\$67,146	\$0	\$0	\$67,146	\$67,146
164 Furniture, Equipment & Machinery - Administration	\$92,258	\$13,446	\$0	\$105,704	\$105,704
165 Leasehold Improvements	\$1,073,198	\$0	\$0	\$1,073,198	\$1,073,198
166 Accumulated Depreciation	-\$5,665,579	-\$13,446	\$0	-\$5,679,025	-\$5,679,025
167 Construction in Progress	\$67,671	\$0	\$0	\$67,671	\$67,671
168 Infrastructure	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,584,274	\$0	\$0	\$1,584,274	\$1,584,274
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0
174 Other Assets		\$0	\$0	\$0	\$0
176 Investments in Joint Ventures		\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$1,584,274	\$0	\$0	\$1,584,274	\$1,584,274
190 Total Assets	\$2,047,085	\$66,108	\$3,448	\$2,116,641	\$2,116,641

311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$5,098	\$0	\$0	\$5,098	\$5,098
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$1,903	\$405	\$0	\$2,308	\$2,308
322 Accrued Compensated Absences - Current Portion	\$3,929	\$808	\$0	\$4,737	\$4,737
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$22,052	\$0	\$0	\$22,052	\$22,052
341 Tenant Security Deposits	\$22,240	\$0	\$0	\$22,240	\$22,240
342 Deferred Revenues	\$5,901	\$0	\$0	\$5,901	\$5,901
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$528	\$0	\$0	\$528	\$528
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$61,651	\$1,213	\$0	\$62,864	\$62,864
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$4,166	\$261	\$0	\$4,427	\$4,427
355 Loan Liability - Non Current		\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$4,166	\$261	\$0	\$4,427	\$4,427
300 Total Liabilities	\$65,817	\$1,474	\$0	\$67,291	\$67,291
508.1 Invested In Capital Assets, Net of Related Debt	\$1,584,274	\$0	\$0	\$1,584,274	\$1,584,274
511.1 Restricted Net Assets	\$0	\$64,376	\$0	\$64,376	\$64,376
512.1 Unrestricted Net Assets	\$396,994	\$258	\$3,448	\$400,700	\$400,700
513 Total Equity/Net Assets	\$1,981,268	\$64,634	\$3,448	\$2,049,350	\$2,049,350
600 Total Liabilities and Equity/Net Assets	\$2,047,085	\$66,108	\$3,448	\$2,116,641	\$2,116,641

Housing Authority of the Town of Pontchatoula (LA075)

PONCHATOULA, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non-A-133

Fiscal Year End: 06/30/2012

	Project Total	14,871 Housing Choice Vouchers	6 Component Units	Subtotal	Total
70300 Net Tenant Rental Revenue	\$265,296	\$0	\$0	\$265,296	\$265,296
70400 Tenant Revenue - Other	\$7,248	\$0	\$0	\$7,248	\$7,248
70500 Total Tenant Revenue	\$272,544	\$0	\$0	\$272,544	\$272,544
70600 HUD PHA Operating Grants	\$234,777	\$211,004	\$0	\$445,781	\$445,781
70610 Capital Grants	\$39,097	\$0	\$0	\$39,097	\$39,097
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$0	\$2	\$0	\$2	\$2
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0		\$0	\$0	\$0
71500 Other Revenue	\$30,997	\$2,586	\$0	\$33,583	\$33,583
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$17	\$0	\$17	\$17
70000 Total Revenue	\$577,415	\$213,609	\$0	\$791,024	\$791,024
91100 Administrative Salaries	\$61,242	\$25,384	\$0	\$86,626	\$86,626
91200 Auditing Fees	\$13,980	\$0	\$0	\$13,980	\$13,980
91300 Management Fee	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$334	\$0	\$0	\$334	\$334
91500 Employee Benefit contributions - Administrative	\$37,608	\$10,924	\$0	\$48,532	\$48,532
91600 Office Expenses	\$33,191	\$7,131	\$0	\$40,322	\$40,322
91700 Legal Expense	\$1,440	\$0	\$0	\$1,440	\$1,440
91800 Travel	\$15,976	\$1,940	\$0	\$17,916	\$17,916
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0
91900 Other	\$12,311	\$0	\$3	\$12,314	\$12,314
91000 Total Operating - Administrative	\$176,082	\$45,379	\$3	\$221,464	\$221,464
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$200	\$0	\$0	\$200	\$200
92500 Total Tenant Services	\$200	\$0	\$0	\$200	\$200
93100 Water	\$9,900	\$0	\$0	\$9,900	\$9,900
93200 Electricity	\$5,924	\$0	\$0	\$5,924	\$5,924
93300 Gas	\$1,256	\$0	\$0	\$1,256	\$1,256
93400 Fuel	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$28,895	\$0	\$0	\$28,895	\$28,895
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0
93000 Total Utilities	\$45,975	\$0	\$0	\$45,975	\$45,975

94100 Ordinary Maintenance and Operations - Labor	\$29,111	\$0	\$0	\$29,111	\$29,111
94200 Ordinary Maintenance and Operations - Materials and Other	\$29,929	\$0	\$0	\$29,929	\$29,929
94300 Ordinary Maintenance and Operations Contracts	\$150,415	\$0		\$150,415	\$150,415
94500 Employee Benefit Contributions - Ordinary Maintenance	\$17,512	\$0	\$0	\$17,512	\$17,512
94000 Total Maintenance	\$226,967	\$0	\$0	\$226,967	\$226,967
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$12,210	\$0	\$0	\$12,210	\$12,210
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$12,210	\$0	\$0	\$12,210	\$12,210
96110 Property Insurance	\$20,966	\$0	\$0	\$20,966	\$20,966
96120 Liability Insurance	\$7,661	\$0	\$0	\$7,661	\$7,661
96130 Workmen's Compensation	\$6,989	\$0	\$0	\$6,989	\$6,989
96140 All Other Insurance	\$4,493	\$0	\$0	\$4,493	\$4,493
96100 Total insurance Premiums	\$40,109	\$0	\$0	\$40,109	\$40,109
96200 Other General Expenses	\$0	\$297	\$0	\$297	\$297
96210 Compensated Absences	\$9,437	\$1,852	\$0	\$11,289	\$11,289
96300 Payments in Lieu of Taxes	\$22,052	\$0	\$0	\$22,052	\$22,052
96400 Bad debt - Tenant Rents	\$1,154	\$0	\$0	\$1,154	\$1,154
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$32,643	\$2,149	\$0	\$34,792	\$34,792
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$534,186	\$47,528	\$3	\$581,717	\$581,717
97000 Excess of Operating Revenue over Operating Expenses	\$43,229	\$166,081	-\$3	\$209,307	\$209,307
97100 Extraordinary Maintenance	\$3,450	\$0	\$0	\$3,450	\$3,450
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$192,108	\$0	\$192,108	\$192,108
97350 HAP Portability-In	\$0	\$2,366	\$0	\$2,366	\$2,366
97400 Depreciation Expense	\$145,984	\$0	\$0	\$145,984	\$145,984
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0
90000 Total Expenses	\$683,620	\$242,002	\$3	\$925,625	\$925,625

10010 Operating Transfer In	\$17,324	\$0	\$0	\$17,324	\$17,324
10020 Operating transfer Out	-\$17,324	\$0	\$0	-\$17,324	-\$17,324
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0			\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0			\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$106,205	-\$28,393	-\$3	-\$134,601	-\$134,601
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$2,087,473	\$93,027	\$3,451	\$2,183,951	\$2,183,951
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$0		\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity		\$258		\$258	\$258
11180 Housing Assistance Payments Equity		\$64,376		\$64,376	\$64,376
11190 Unit Months Available	1290	553	0	1843	1843
11210 Number of Unit Months Leased	1271	553	0	1824	1824
11270 Excess Cash	\$329,789			\$329,789	\$329,789
11610 Land Purchases	\$0			\$0	\$0
11620 Building Purchases	\$14,400			\$14,400	\$14,400
11630 Furniture & Equipment - Dwelling Purchases	\$0			\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$24,697			\$24,697	\$24,697
11650 Leasehold Improvements Purchases	\$0			\$0	\$0
11660 Infrastructure Purchases	\$0			\$0	\$0
13510 CFFP Debt Service Payments	\$0			\$0	\$0
13901 Replacement Housing Factor Funds	\$0			\$0	\$0

HOUSING AUTHORITY OF THE CITY OF PONCHATOULA

Ponchatoula, Louisiana

Status of Prior Year Management Letter Items

Fiscal Year Ended June 30, 2012

ML-2011-1

Board minute weaknesses

This is not repeated

ML-2011-2

Late audit per state law

This is repeated as finding F-2012-1